

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

2005 APR 1 AM 11 30

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deborah Marberry
Print or Type Name

Deborah Marberry
Signature

Regulatory Analyst
Title

3/30/05
Date

deborah.marberry@conocoPhillips.com
e-mail Address



ConocoPhillips Company
Deborah Marberry
Regulatory Analyst
Mid-America Business Unit
Lower 48
WL3 - 6108
P.O. Box 2197
Houston, TX 77252
Phone: 832-486-2326
Fax: (832) 486-2764

March 30, 2005

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Non-Standard Location
Basin Fruitland Coal
San Juan 32-7 # 243A
Unit Letter C, Section 19 T32N-R7W
610' FNL 2391' FWL
San Juan County, New Mexico

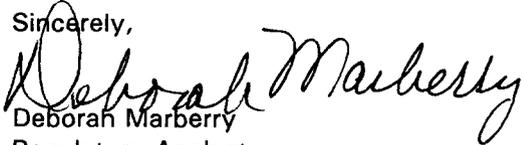
Mr. Stogner:

ConocoPhillips proposes to drill the San Juan 32-7 243A located 610' FNL and 2391' FWL, Section 19, T32N, R7W, San Juan County, New Mexico in 2005. The well will be drilled to access Fruitland Coal reserves in the NW/4 of Section 19. The current reservoir pressure in the area is 700-900 psi. The infill well is required to ensure complete drainage of remaining Fruitland Coal reserves. The proposed location is non-standard to the drill block to the north, which is currently owned 82% by ConocoPhillips and 18% by Williams. ConocoPhillips also plans to drill the offset well, the San Juan 32-7 202R, in the SW/4 of Section 18 T32N-R7W in 2005. Once the 202R is declared commercial, the acreage will also become part of the ConocoPhillips operated 32-7 Unit Participating Area.

Due to the topography (Garcia Canyon) in the NW/4 of Section 19, the well surface location at 610' FNL and 2391' FWL is required. There are currently no other wells present in the NW/4 of Section 19, therefore there is no opportunity to drill from an existing well pad or expand an existing well pad. A horizontal well is not recommended due to the presence of multiple coal seams. Differential pressure between the multiple coal seams, completion problems, operational problems, and anticipated high water production (over 40 bbls/day) preclude the drilling of a deviated well. Attached is a letter from Chenault Consulting, Inc. stating the reasons for the staked location. Also attached is a topo plat with the well location and our C-102.

ConocoPhillips respectfully requests that a non-standard location for the Fruitland Coal well be issued for the reasons cited above. If there are any questions concerning this application, please feel free to call Janet Stasney, Senior Reservoir Engineer, at (832)-486-2359.

Sincerely,


Deborah Marberry
Regulatory Analyst

CCI

Chenault Consulting, Inc.
P.O. Box 282
Bloomfield, NM 87413
(505) 599-3456

**Re: San Juan 32-7 #243A
610 FNL 2391 FWL
Section 19, T32N R7W
San Juan Co., NM**

To Whom It May Concern:

The San Juan 32-7 #243A is a proposed Basin Fruitland Coal and is located inside a Federal Unit. This well was staked at only 610 feet from the north line of Section 19, T32N R7W because the terrain within the “drilling window” does not allow an appropriate site for drilling a new Basin Fruitland Coal well at a standard location. The variations in elevation and the multitude of prominent drainages in this area did not allow for a standard location staking. The only other area with acceptable topography would require significantly more surface disturbance due to longer road construction.

If anyone has any questions or would like to field review the proposed well location please contact me at 505-599-3456.

Sincerely,

Gordon Chenault

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 71629	Pool Name BASIN FRUITLAND COAL (GAS)
Property Code 31329	Property Name SAN JUAN 32-7 UNIT	Well Number 243A
OCRD No. 217817	Operator Name CONOCOPHILLIPS COMPANY	Elevation 6375

10 Surface Location

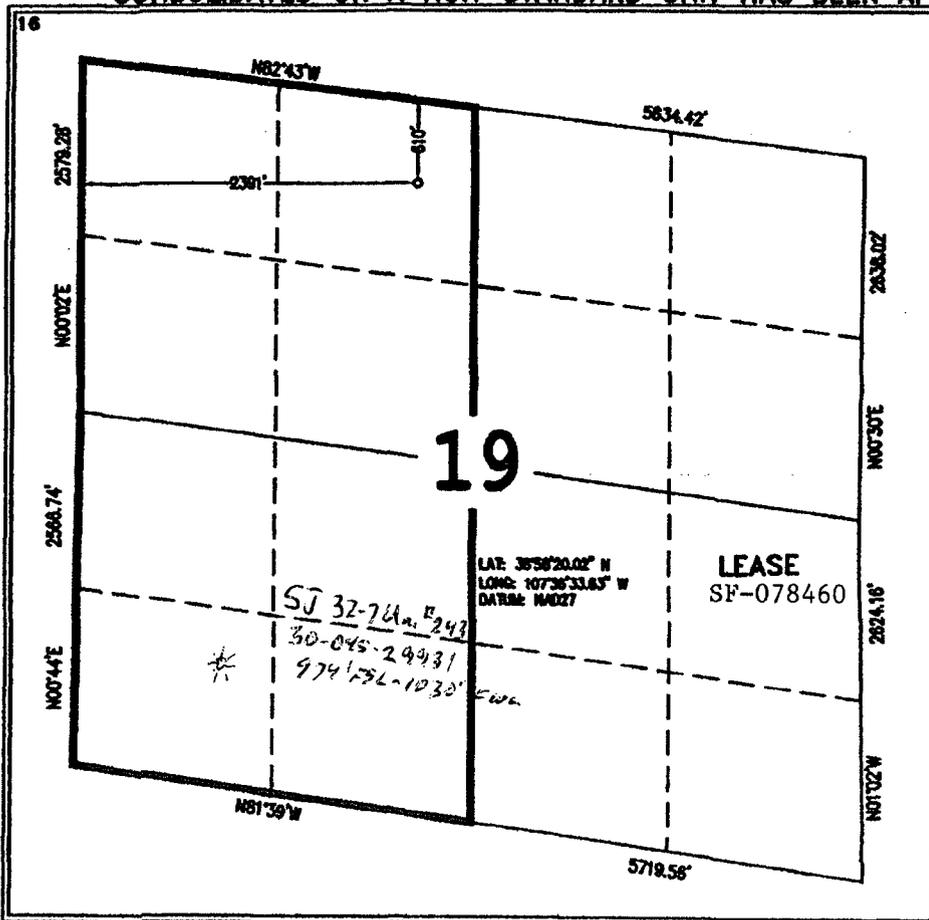
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
C	19	32N	07W	610	NORTH	2391 WEST	SAN JUAN

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County

Dedicated Acres 328.37	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Vicki Westby (pf)
Signature

Vicki Westby
Printed Name

Staff Agent
Title and E-mail Address

11/28/04
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 11/28/04
Signature: [Signature]

Certificate Number: 113934

Offset Operators

Dominion Exploration and Production
 14000 Quail Springs Parkway, Suite 600
 Oklahoma City, Oklahoma 73134

Burlington Resources Oil & Gas
 Attn: Ben
 P.O. Box 4289
 Farmington, NM 87401

The above operators were notified via certified mail.

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CMD :
OG55SECT

ONGARD
INQUIRE LAND BY SECTION

04/16/05 13:45:18
OGOMES -TPB6
PAGE NO: 1

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

6 40.45 Federal owned U	5 42.14 Federal owned U A	B 40.00 Federal owned U	A 40.00 Federal owned U
7 40.43 Federal owned U	8 42.12 Federal owned U	9 42.16 Federal owned U	H 40.00 Federal owned U
12 40.36 Federal owned U	11 42.02 Federal owned U	10 41.99 Federal owned U	I 40.00 Federal owned U
13 40.59 Federal owned U A	14 42.26 Federal owned U	15 42.38 Federal owned U	P 40.00 Federal owned U

530 27